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MINUTES OF THE MEETING OF JUNE 30, 2014

A regular meeting of the Higher Education Commission was held at 3 Barrell Court, Concord, New, Hampshire at 3:00 p.m. on Monday, June 30, 2014. The following members were present:

Tom Galligan, Chair
Steve Appleby (via telephone)
James Birge
Sr. Paula Marie Buley (via telephone)
John Curran
Michael Diffily
Jim Fitzgerald
Roxanne Gonzales
Alicia Harvey-Smith
Stephen Jones (via telephone)
Scott Kalicki (via telephone)
David Mahoney
Michele Perkins
Eli Rivera (via telephone)
Lindsay Whaley (via telephone)

The following members were unable to attend:

Virginia Barry
Ross Gittell
Mark Huddleston
Anne Huot
Peter Koch
Todd Leach
Sara Jayne Steen, Vice Chair

- 1) Chair Galligan called the meeting to order, welcomed everyone, and asked for a roll call.

- 2) Mr. Kalicki moved, seconded by Ms. Harvey-Smith, to accept the minutes of May 12, 2014. The motion passed without dissent.
- 3) Director MacKay presented the Adoption of Final Proposal of the N.H. Code of Administrative Rules, Hedc 500, Scholarships for Orphans of Veterans. Mr. Curran moved, seconded by Mr. Fitzgerald, to adopt the Final Proposal of the N.H. Code of Administrative Rules, Hedc 500, Scholarships for Orphans of Veterans. The motion passed without dissent.
- 4) Director MacKay presented St. John International University's request for continuing degree-granting authority for all degrees. In response to the specific request from the Commission dated May 14, 2014, St. John International University (SJIU) submitted a Status Report that addressed the following seven issues cited in the letter:
 - Confirmation the University is meeting payroll and verified by an accounting firm (presumably BDO) and Board Secretary, Jim Bianco;
 - Confirmation no new claims were made against the University, and if so, an explanation of the claim;
 - Submittal of a financial report of the current fiscal year through May 31, 2014 that provided the status of cash on hand, payments to creditors, and overall operations as verified in an affidavit from the University's chief financial officer, or equivalent officer, that the information is accurate to the best of the affiant's knowledge;
 - Evidence senior administrators, such as President Meadors, have the authority to access and disburse funds for college expenses, including signatory authority over all U.S. accounts;
 - Statement and evidence of payment of all Commission and site visit related costs and fees;
 - Evidence all former employee claims were paid and settled in full and/or sufficient funds have been placed in a U.S. escrow account to pay all outstanding claims and cannot be removed prior to full resolution of all claims, with signature authority to Board Secretary, Jim Bianco to make all payments from this account; and
 - Submittal of a revised pro forma of financial and enrollment projections for the current fiscal year and the next three fiscal years, including a breakdown of the student population by status, such as full-time undergraduate, part time undergraduate, graduate, exchange, or certificate student.

The report was found to not be fully responsive, and additional information/verifications that were to be provided after submission of the initial SJIU Status Report on June 20th were not forthcoming. The Status Report commentary was vague in some cases; for example, with regard to payments for Commission expenses ("in process," but as of the Commission meeting date, not received). With regard to the payments to former employees and creditors, there was reference in the financial report of the intent to sell new shares to investors, but there was no evidence such sales would be completed and also raised questions regarding the "\$ 2 million" payment by Mr. Gemello frequently referred to in the May Commission meeting (due to a footnote indicating the funds have not been recorded, and if forthcoming, for a lesser amount). Communications received the week of June 23, 2014 from former employees indicated no recent contact was received from St. John International University attorneys. Documentation and verification of the statements in the Status Report, such as the authority of President Meadors, was not included, and the package did not include the requested pro forma financial projections for the next three years.

James Bianco, Esq., Counsel and Board Secretary, requested the Commission extend degree-granting approval, indicating additional investors were interested and willing to provide financial support. Don Gough, representing University Advisors International, also spoke on behalf of extending the University's authority. University Advisors International is a current investor in SJIU and Mr. Gough expressed potential interest in entering negotiations with St. John International University to acquire a more substantial position in the institution.

Lengthy discussion followed, including review of the many commitments made previously by SJIU that were not met and the failure to utilize the opportunity provided since the May meeting to rectify matters. Mr. Curran made a motion, seconded by Mr. Rivera to take no action and allow the degree-granting authority of St. John International University (SJIU) to expire at the end of the day on June 30, 2014. The motion was approved unanimously (15-0). Per Hedc 406.06, St. John International University shall terminate all programs and on July 1st, Director MacKay formally notified St. John International University of the Commission decision and directed SJIU to take the following actions:

- Notify immediately all current students, faculty, staff and investors that SJIU is no longer authorized to operate and award degrees, effective June 30, 2014.
- Provide to the Commission no later than July 15, 2014 a transition plan and timetable that addresses and includes, but is not limited to public disclosure of authority expiration and provisions for current faculty and staff.
- Provide to the Commission, no later than July 15, 2014, the number of students impacted by authority expiration, and a plan for discontinuation of programs that includes a teach-out schedule detailing program completion or evidence of arrangement with another accredited institution for student transfer.
- Provide to the Commission, no later than July 15, 2014, two original transcripts and an electronic transcript for each student who was enrolled for instruction at the institution; one original copy of catalogs for each year in existence; an explanation of the institution's credit and grading system; and a typed list of students.

In addition, SJIU was directed to pay the closure fee and provide funds owed to the Commission and Evaluation Team members for the earlier site visit.

- 5) Director MacKay presented highlights of the Director's Report.

The meeting adjourned at 4:10 p.m.